STREET CAPITAL GROUP INC.

Notice of Annual and Special Shareholders' Meeting

TAKE NOTICE that the Annual and Special Meeting (the "**Meeting**") of the shareholders of STREET CAPITAL GROUP INC. (the "**Corporation**") will be held at the TMX Broadcast Centre, The Exchange Tower, 130 King St. West, Toronto, Ontario, on June 7, 2017 commencing at 4:00 p.m. (Toronto time) for the following purposes:

1. TO RECEIVE the consolidated financial statements of the Corporation for the year ended December 31, 2016 and the report of the auditors thereon;
2. TO APPOINT Ernst & Young LLP as auditor of the Corporation and to authorize the directors to fix their remuneration;
3. TO ELECT directors;
4. TO CONSIDER and, if deemed advisable, pass, with or without modification, a resolution, the full text of which is set out in Schedule B to the accompanying management information circular (the "**Circular**") to approve all unallocated options under the Corporation's 1997 Stock Option Plan for three years from the date of the Meeting as more particularly described in the Circular; and
5. TO TRANSACT such other business as may properly come before the Meeting or any adjournment thereof.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must have deposited his or her duly executed form of proxy not later than 4:00 p.m. (Toronto time) on June 5, 2017 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting, at the offices of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

A form of proxy solicited by the management of the Corporation in respect of the Meeting is enclosed herewith, together with a copy of the Circular.

Shareholders who are unable to be present personally at the Meeting are requested to sign and return (in the envelope provided for that purpose) such form of proxy.

DATED this 1st day of May, 2017.

By Order of the Board

/s/ W.E. GETTINGS

W.E. Gettings
CEO
Street Capital Group Inc.

STREET CAPITAL GROUP INC.

MANAGEMENT INFORMATION CIRCULAR
as of April 30, 2017

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS, JUNE 7, 2017

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF STREET CAPITAL GROUP INC. (THE "CORPORATION") OF PROXIES FOR USE AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS (THE "MEETING") TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE AND AT ANY ADJOURNMENT OR ADJOURNMENTS THEREOF. The mailing address of the principal executive office of the Corporation is 1 Toronto Street, Suite 700, Toronto, Ontario, M5C 2V6. The record date for shareholders of the Corporation who will be entitled to notice of the Meeting is the close of business on May 3, 2017. Registered holders of common shares at the close of business on May 3, 2017 will be entitled to one vote for each common share held on each matter submitted to a vote on a poll at the Meeting.

SOLICITATION OF PROXIES

The cost of soliciting proxies will be borne by the Corporation. In addition to solicitation by mail, certain officers, directors and employees of the Corporation may solicit proxies by telephone or personally on behalf of the Corporation. These persons will receive no compensation for such solicitation other than their regular salaries. Proxy-related materials will be sent by the Corporation to registered holders and intermediaries holding on behalf of non-registered security holders of the Corporation but not directly to such non-registered holders. The Corporation intends to pay for such intermediaries to deliver proxy-related materials and Form 54-101F7 (the request for voting instructions) to "objecting beneficial owners", in accordance with National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

MANNER PROXIES WILL BE VOTED

The accompanying form of proxy must be properly executed and received at the offices of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 not later than 4:00 p.m. (Toronto time) on June 5, 2017 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting. If the accompanying form of proxy is executed in favour of W. Edward Gettings or Marissa Lauder, the management nominees, the shares represented by the form of proxy will be voted at the Meeting and, where a choice is specified in respect of any matter to be acted upon, will be voted in accordance with the specification made. **IN THE ABSENCE OF SUCH A SPECIFICATION, SUCH SHARES WILL BE VOTED IN FAVOUR OF SUCH MATTER.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying notice of the Meeting, and with respect to other matters which may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or other matters.

ALTERNATE PROXY

Each shareholder has the right to appoint a person or company other than the person named in the accompanying form of proxy, who need not be a shareholder, to attend and act for him or her and on his or her behalf at the Meeting or any adjournment thereof. Any shareholder wishing to exercise such right may do so by inserting in the blank space provided in the accompanying form of proxy the name of the person or company whom such shareholder wishes to appoint as proxy, or by duly completing another proper form of proxy, and duly depositing the same before the specified time.

REVOCABILITY OF PROXY

A shareholder giving a proxy has the power to revoke it. Such revocation may be made by the shareholder attending the Meeting, by the shareholder duly executing another form of proxy bearing a later date and duly depositing the same before the specified time, or by written instrument revoking such proxy executed by the shareholder or his or her attorney authorized in writing or, if the shareholder is a body corporate, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at the registered office of the Corporation, 1 Toronto Street, Suite 700, Toronto, Ontario, M5C 2V6 at any time up to and including the last business day preceding the date of the Meeting or any adjournment thereof, or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof. If such written instrument is deposited with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

OUTSTANDING SECURITIES AND VOTING RIGHTS

At the date hereof the Corporation has issued and outstanding 121,580,238 common shares. The common shares carry one vote per share.

RECORD DATE FOR NOTICE AND VOTING

Only shareholders of record at the close of business on May 3, 2017 need be mailed notice of the Meeting. A quorum for the transaction of business at any meeting of shareholders is two persons present in person, each being either a shareholder entitled to vote thereat or a duly appointed proxy for an absent shareholder so entitled and holding or representing the holder or holders of shares carrying not less than 25% of the total number of votes attaching to the outstanding voting shares. A holder of shares of record as at the close of business on May 3, 2017 will be entitled to vote such shares in person or by proxy at the Meeting (subject in the case of voting by proxy to the timely deposit of his or her executed form of proxy with Computershare Investor Services Inc. as specified in the notice of the Meeting).

PRINCIPAL SHAREHOLDERS

At the date hereof, to the knowledge of the directors and senior officers of the Corporation, the only shareholder beneficially owning or exercising control or direction over shares carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation is:

Name of Shareholder	Common Shares Beneficially Owned, Directly or Indirectly, Controlled or Directed at April 30, 2017	Approximate Percentage of Outstanding Common Shares
FCMI Financial Corporation (“**FCMI**”)(1)(2)	12,412,151 common shares	10.2%

(1) The information as to shares owned by FCMI is based solely on public filings.

(2) FCMI’s share ownership includes the following joint actors: FCMI Parent Co., FCMI Financial Corporation, and Pan Atlantic Bank and Trust Limited.

PARTICULARS OF MATTERS TO BE ACTED UPON

Appointment of Auditor

It is proposed that Ernst & Young LLP ("**E&Y**"), which was appointed as auditor of the Corporation by the shareholders at the June 15, 2016 annual meeting of shareholders, be appointed as auditor of the Corporation to hold office until the close of the next annual meeting of shareholders.

Unless such authority is withheld, it is intended that the persons named in the accompanying form of proxy will vote the common shares represented thereby in favour of appointing E&Y as the auditor of the Corporation and authorizing the directors of the Corporation to fix E&Y's remuneration.

The aggregate fees for all services provided by E&Y during the years ended December 31, 2016 and 2015 were as follows:

	Year ended December 31, 2016 ($)	Year ended December 31, 2015 ($)
Audit fees	294,935	251,450
Audit-related fees	9,068	16,050
Tax fees	—	—
All other fees	4,000	10,800
Total	308,003	278,300

Audit-related fees include a review for specified audit procedures related to securitization activities of the Corporation's subsidiary, Street Capital Bank of Canada ("**Street Capital Bank**"). All other fees relate to CPAB fees and services rendered in connection with Street Capital Bank's bank licence application.

Election of Directors

Directors of the Corporation are elected annually by the shareholders. The articles of the Corporation provide that the number of directors to be elected shall be a minimum of five and a maximum of twenty. The number of directors is currently fixed at eight. A current director, Paul Vessey, will not be standing for re-election at the Meeting and therefore it is proposed that a board of seven directors is to be elected at the Meeting.

The board of directors of the Corporation (the "**Board**") has adopted a majority voting policy in director elections that will apply at any meeting of shareholders where an "uncontested election" of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to immediately submit his or her resignation to the Board. Following the receipt of a director's resignation, the Governance, Conduct Review and Compensation Committee ("**GCRC Committee**") will consider whether or not the Board should accept the offer of resignation. Except in special circumstances, the GCRC Committee will be expected to recommend that the Board accept the resignation. Within 90 days following the meeting of shareholders, the Board will make its decision and issue a press release, which will disclose the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to the majority voting policy will not be permitted to participate in any meeting of the Board or the GCRC Committee at which the resignation is considered.

More detail regarding the Corporation's majority voting policy is attached to the Circular as Appendix A.

The term of office of all present directors of the Corporation expires at the Meeting. All proposed directors' terms of office, if elected, will expire at the next annual meeting of shareholders. If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the accompanying form of proxy will vote the shares represented thereby in favour of election as directors any substitute nominee or nominees recommended by the management and Board of the Corporation as well as in favour of the remaining proposed nominees. Management has been informed by each nominee that the nominee is willing to stand for election and serve as a director.

Unless such authority is withheld, it is intended that the persons named in the accompanying form of proxy will vote the shares represented thereby in favour of electing as directors the nominees named below. The following information is submitted with respect to the nominees for directors:

Name, Province and Country of Residence	Principal Occupation or Employment	Periods during which Nominee has Served as a Director	Number of Voting Securities Beneficially Owned Directly or Indirectly, Controlled or Directed at April 30, 2017[(1)]
ALLAN C. SILBER . . . . Ontario, Canada	Chair of the Board	Since August 2, 1979	9,160,393[(2)]
W. EDWARD GETTINGS . . . . . . Ontario, Canada	Chief Executive Officer of the Corporation	Since June 18, 2015	9,970,709
MORRIS PERLIS[(ii)] . . . . Ontario, Canada	Corporate Director	August 26, 1992 – December 14, 2001 and since June 18, 2015	815,000
RONALD APPLEBY, Q.C[(i)(ii)] . . . Ontario, Canada	Partner, Robins, Appleby LLP, Barristers & Solicitors	Since June 19, 2007	452,400
LEA RAY[(i)(iii)] . . . . Ontario, Canada	Corporate Director	Since June 18, 2015	25,000
RON LALONDE[(iii)] . . . . Ontario, Canada	Corporate Director	Since June 18, 2015	2,500
TOM BERMINGHAM[(iii)] . . . . Ontario, Canada	Corporate Director	Since June 18, 2015	36,500

(1) The information as to common shares beneficially owned or controlled by the nominees, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees.

(2) Allan Silber owns 6,026,501common shares, CXS Holdings Inc., a corporation controlled by Allan Silber, owns 3,099,192 common shares and Anglian Holdings Inc., a corporation of which Mr. Silber is a director and senior officer, owns 34,700 common shares.

(i) Current Member of the Audit Committee.

(ii) Current Member of the GCRC Committee.

(iii) Current Member of Street Capital Bank's Enterprise Risk Management ("**ERM**") Committee.

Nominee Profiles

Allan C. Silber — Mr. Silber is the Chair of the Board. Mr. Silber founded the Corporation in 1979 and served as President and Chief Executive Officer until June 2015. Mr. Silber is actively involved in a number of cultural, charitable and community-based organizations, including participation at the board level, and has been Chairman of numerous fundraising events for community-based international organizations. He is also the Chairman of the board of the Corporation's former subsidiary, Heritage Global Inc., a U.S. public company, United States Securities and Exchange Commission filer, and Canadian reporting issuer. Mr. Silber attended McMaster University and received a BSc from the University of Toronto.

W. Edward Gettings — Mr. Gettings is the Chief Executive Officer of both the Corporation and the Corporation's wholly-owned subsidiary, Street Capital Bank. Following the resignation of the Company's former President, Lazaro DaRocha (discussed below under *Compensation Discussion and Analysis*), Mr. Gettings is also acting as President of the Corporation pending the selection of a new President. Mr. Gettings previously held the position of CIBC Executive Vice President, Mortgages, Lending & Insurance. He served as overall executive leader for multiple business lines and oversaw long term strategic planning, annual plan execution and overall P&L responsibilities. By implementing the unique multi brand/channel residential mortgage lending strategy for FirstLine, President's Choice Financial and CIBC brands, he helped create a strategy that successfully increased loan origination capability over 400% — resulting in growth to the #2 mortgage share position. Mr. Gettings holds a Bachelor of Business Administration from Wilfrid Laurier University.

Morris Perlis — Mr. Perlis served as President of the Corporation from 1992 until 2001 and as Executive Vice Chairman from July 2009 to June 2015. In addition to his past experience at the Corporation, Mr. Perlis brings a wealth of expertise gained in senior strategic and management roles with other leading organizations. He spent 13 years with American Express Inc., including five years as President of American Express Canada. During that time he obtained approval for, and directed the launch of, the AMEX Bank of Canada, for which he also served as CEO. Mr. Perlis's background also includes entrepreneurial activities. He spent four years as President and CEO of Mad Catz Interactive, during which time Mad Catz became the largest third-party manufacturer in its industry. Mr. Perlis has served on a number of private and not-for-profit boards, including the boards of Sears Bank of Canada, Sears Canada, Assante Corporation and the Baycrest Centre for the Aged Foundation. He is currently Chairman of the Board of UJA Federation of Toronto and a member of York University's Schulich Business School Advisory Board and Toronto's Mt. Sinai Hospital Board of Governors. He is also a board member of the Corporation's former subsidiary, Heritage Global Inc., a U.S. public company, United States Security and Exchange Commission filer, and Canadian reporting issuer.

Ronald Appleby, Q.C. — Mr. Appleby has been a partner at Robins, Appleby LLP since 1973 and was appointed Queen's Counsel in 1982. Mr. Appleby's practice includes consulting on income tax and business matters in major commercial transactions and corporate reorganizations, as well as estate planning for high-net-worth individuals. Mr. Appleby serves on the boards of directors of numerous corporations, and has played a leadership role in many major civic, philanthropic and cultural organizations. Mr. Appleby is a member of the Law Society of Upper Canada, the York County Law Association, the Canadian Bar Association, the Canadian Tax Foundation, the International Fiscal Association, and the Foundation for Legal Research in Canada. He was called to the Bar of Ontario with first class honours in March 1970. As well, he attained first class honours in four consecutive years at the University of Toronto, from which he holds a Bachelor of Commerce degree.

Lea Ray — Ms. Ray is a Chartered Professional Accountant and seasoned board director, holding an Institute of Corporate Directors certification ("**ICD.D**") from the Institute of Corporate Directors. Ms. Ray has chaired several Audit, Finance and Governance Board Committees and currently serves as Vice Chair of the Tarion Warranty Corporation and a director of the Workplace Safety and Insurance Board (Ontario). Her financial career began with PricewaterhouseCoopers and she is a former executive, Vice-President Corporate Finance, of Warner Bros. Entertainment Canada Inc., where she was employed for 19 years. Ms. Ray has served on the Professional Conduct Committee of the Chartered Professional Accountants (Ontario) and has served as a board member and volunteer of several non-profit health, conservation and community institutions.

Ron Lalonde — Mr. Lalonde served in a number of business, financial, operational, technological, risk management and human resources roles prior to his retirement from his position as Senior Executive Vice-President, Technology and Operations at CIBC in 2010. Mr. Lalonde is currently a director of D+H Corporation, a Toronto-based financial technology company, and of Morneau Shepell, a human resources consulting and technology company. Mr. Lalonde is also a Commissioner of the Toronto Transit Commission. Mr. Lalonde earned an MBA from the Ivey School of Business Administration, Western University and has received the ICD.D certification.

Tom Bermingham — Mr. Bermingham is a Chartered Professional Accountant and provides consulting services to financial institutions in the areas of governance, risk, compliance, treasury, finance and accounting. Mr. Bermingham has served as Director at Bank of Montreal Mortgage Corporation, Chief Risk Officer at Continental Bank of Canada, Treasurer and Vice President of Finance at Bank of Montreal, and President at the Canadian and North American Asset & Liability Management Associations. Mr. Bermingham is a member of the Institute of Corporate Directors, Professional Risk Managers' International Association and Chartered Professional Accountants of Ontario. Mr. Bermingham received an Honours Bachelor of Mathematics degree from the University of Waterloo and completed the Advanced Leadership Program, Rotman Business School, University of Toronto and Executive Management Program, Ivey Business School, University of Western Ontario.

1997 Stock Option Plan

The Toronto Stock Exchange (the "**TSX**") requires that the approval of all unallocated options under the Corporation's 1997 Stock Option Plan (the "**1997 Plan**") be sought by the Corporation every three years from a majority of the votes cast by shareholders. Unallocated options were last approved by the shareholders of the Corporation at its annual and special meeting on June 17, 2014. As the three-year term prescribed by the TSX expires on June 17, 2017, the shareholders of the Corporation will be asked at the Meeting to consider and, if deemed advisable, to approve, by an ordinary resolution (the "**Option Plan Resolution**"), all of the unallocated common shares issuable pursuant to the 1997 Plan. See *Compensation Discussion and Analysis — Long Term Incentives* for a description of the 1997 Plan.

As of the date of this Circular, (i) the overall limit on the number of common shares reserved for issuance under the 1997 Plan and other share compensation arrangements is 12,158,024, or 10% of the total issued and outstanding common shares of the Corporation, (ii) options to purchase 3,089,587 common shares and deferred share units convertible into 146,590 common shares were outstanding, representing approximately 2.66% of the total issued and outstanding common shares and approximately 26.62% of the common shares reserved for issuance under the 1997 Plan and all other share compensation arrangements; and (iii) unallocated options to purchase 8,921,847 common shares were available for further grants under the 1997 Plan and all other share compensation arrangements, representing approximately 7.34% of the total issued and outstanding common shares.

The approval by the shareholders of the unallocated options under the 1997 Plan will be effective for three years from the date of the Meeting. If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated options under the 1997 Plan until the Corporation's 2020 annual shareholders' meeting (provided that such meeting is held on or prior to June 7, 2020). If approval is not obtained at the Meeting, options which have not been allocated as of the date of the Meeting and options which are outstanding as of the date of the Meeting and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue to be unaffected by the approval or disapproval of the Option Plan Resolution.

The full text of the Option Plan Resolution is set out in Schedule B to this Circular.

Unless instructed otherwise, it is intended that the persons named in the accompanying form of proxy will vote the common shares represented thereby in favour of the Option Plan Resolution.

COMPENSATION DISCUSSION AND ANALYSIS

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of its Chief Executive Officer, Chief Financial Officer and the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation exceeded $150,000.

For the year ended December 31, 2016, the Named Executive Officers (the "**NEOs**") were: W. Edward Gettings, Chief Executive Officer; Lazaro M. DaRocha, President; Marissa Lauder, Chief Financial Officer; R. Adam Levy, Executive Vice President and Chief Compliance Officer[1]; and Alfonso Casciato, Senior Vice President, Sales, Street Capital Bank.

On March 21, 2017, the Corporation announced that Mr. DaRocha would retire from the Corporation and Street Capital Bank effective September 30, 2017. Effective April 1, 2017, Mr. DaRocha ceased to be employed as President of the Corporation and Street Capital Bank, and has been retained as a consultant for a term extending until September 30, 2017. A search committee has been formed to find a replacement for Mr. DaRocha, with a current director, Ron Lalonde, serving as the committee's Chair. In the interim, the Chief Executive Officer of the Corporation and Street Capital Bank, Mr. Gettings, is acting as President.

Decisions on the compensation program of the Corporation with respect to executive officers and other senior executives are made by the GCRC Committee. The current members of the GCRC Committee are Paul Vessey (Chair), Morris Perlis and Ronald Appleby. Mr. Vessey and Mr. Appleby are considered independent directors as defined under National Instrument 52-110; Mr. Perlis, while independent of senior management of the Corporation, is not considered an independent director of the Corporation due to his previous role of Executive Vice Chairman from July 2009 to June 2015. The Corporation believes that, given Mr. Perlis' independence from senior management, this previous role in no way interferes with his exercise of independent judgement with respect to his duties on the Board generally and specifically with respect to those of the GCRC Committee. Given that Mr. Vessey is not standing for re-election, a new Chair will be named following the Meeting.

It is the responsibility of the GCRC Committee to assure the Board that the executive compensation programs are reasonable and appropriate, meet their stated purpose, and effectively serve the needs of the Corporation's shareholders and the Corporation.

Each member of the GCRC Committee has had extensive experience relevant to his duties that enables the GCRC Committee to make decisions on the suitability of the Corporation's compensation policies and practices. Paul Vessey retired as TD Bank Group's Executive Vice President, US Product Management, Personal and Commercial Banking in 2011. He previously served as TD Canada Trust's Senior Vice President of Card Products and Personal Lending. Prior to joining TD, Mr. Vessey was the Chief Operating Officer of Visa USA Inc. He also served in senior executive positions at CIBC as well as at American Express Canada. In total, Mr. Vessey spent almost four decades in the banking industry. Morris Perlis served as President of the Corporation from 1992 until 2001 and as Executive Vice Chairman of the Corporation from July 2009 to June 2015. In addition to this past experience, Mr. Perlis brings a wealth of expertise gained in senior strategic and management roles with other leading organizations. He spent 13 years with American Express Inc., including five years as President of American Express Canada. Ronald Appleby has been a partner in the law firm of Robins, Appleby LLP since 1973 and was appointed Queen's Counsel in 1982. Mr. Appleby's practice includes consulting on income tax and business matters in major commercial transactions and corporate reorganizations, as well as estate planning for high-net-worth individuals.

The Corporation believes that its executive compensation program should align the interests of shareholders and executives. The Corporation's primary objective is to maximize shareholder value while ensuring proper and sound compensation practices and risk mitigation. The GCRC Committee seeks to forge strong links among the Corporation's strategic business goals, compensation goals, and risk mitigation goals.

The Corporation's executive compensation program is consistent with the Corporation's overall philosophy for all management levels. The Corporation believes that the more employees are aligned with the Corporation's

[1] Effective February 7, 2017, Mr. Levy was appointed Executive Vice-President and Chief Operating Officer.

strategic objectives, the greater the Corporation's success on both a short-term and long-term basis. As part of its ongoing goal of aligning the Corporation's corporate governance framework with accepted best practices, the GCRC Committee completed a thorough review of the Corporation's compensation strategy and practices in 2016. An external, third-party consulting firm, Mercer, Canada ("**Mercer**") was engaged to provide independent guidance and advice throughout the review process. Included in this review were an assessment of the Corporation's executive compensation levels against market, its compensation practices' alignment with Financial Stability Board Principles ("**FSB Principles**") and its long-term incentive compensation needs going forward.

The FSB Principles can be summarized as follows:

1. The firm's board of directors must actively oversee the compensation system's design and operation.
2. The firm's board of directors must monitor and review the compensation system to ensure the system operates as intended.
3. Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm.
4. Compensation must be adjusted for all types of risk.
5. Compensation outcomes must be symmetric with risk outcomes.
6. Compensation payout schedules must be sensitive to the time horizon of the risk.
7. The mix of cash, equity and other forms of compensation must be consistent with risk alignment.
8. Supervisory review of compensation practices must be rigorous and sustained, and deficiencies must be addressed promptly with supervisory action.
9. Firms must disclose clear, comprehensive and timeline information about their compensation practices to facilitate constructive engagement by all stakeholders.

Mercer conducted an independent, in-depth market analysis in which the Corporation's executive compensation levels were benchmarked against other financial institutions of similar structure and size in the industry. The analysis consisted of a compensation review for the following roles: President, Chief Executive Officer, Chief Compliance Officer, Chief Financial Officer, Senior Vice President of Sales, Senior Vice President of Treasury, Vice President of Credit, Vice President of Human Resources, and Chief Internal Auditor ("**CIA**"). Mercer concluded that the Corporation's executive compensation levels aligned with the market based on similar roles and levels for each individual, except for the CIA, which was below market. An adjustment was made in 2017, as approved by the Board, to align the CIA's compensation level with market.

The GCRC Committee and Mercer assessed the Corporation's compensation practices for alignment with FSB Principles. For any Principle for which further efforts were needed to better align with FSB Principles, the Corporation developed an action plan whereby the recommendations satisfied OSFI requirements. The result was the redesign of the Corporation's current executive compensation program to align with its overall strategy and objective of creating shareholder value by:

- emphasizing pay for performance by having a significant portion of executive compensation "at risk";
- directly aligning the interest of executives with the long term interest of shareholders by awarding stock options at current market prices, which have value to the executives only through stock appreciation over the long run;
- similarly, directly aligning the interest of executives with the mid-term interest of shareholders by awarding restricted stock options ("RSUs"), which will not vest until at least one year following the date they are awarded;
- providing compensation opportunities that attract and retain talented and committed executives on a long-term basis; and

- appropriately balancing the Corporation's short-term and long-term business, risk appetite and financial and strategic priorities.

The Corporation's strategic priorities in 2017 are:

- to launch our uninsured mortgage product;
- to maintain the #4 broker market share on insured mortgages;
- to maintain renewal levels at 75% to 80% of mortgages available for renewal;
- to build credit card capability; and
- to maintain leading credit quality.

The Board periodically discusses the principal risks of the business and ensures the implementation of appropriate systems and controls to manage these risks. This would include risks associated with the Corporation's compensation practices, if any. No risks have been identified as arising from the Corporation's compensation policies or practices that are reasonably likely to have a material adverse effect on the Corporation. The Corporation's compensation program is designed in such a way as to ensure executive officers do not take unnecessary and excessive risks that could have a material adverse effect on the Corporation, and includes components that discourage such risks, including base salaries that are sufficiently competitive and not subject to performance risk, option and RSU grants that have value only over the mid- and long term, and the balance sought by the GCRC Committee of the Corporation's short- and long-term business, risk appetite and financial and strategic goals.

The Corporation's redesigned executive compensation program, applicable for the 2017 fiscal year, is comprised of a base salary and variable incentive pay. The incentive pay is comprised of three components: an annual cash incentive and mid- and long term incentives through RSUs and stock options. The annual executive pay targets (base salary plus variable incentives) are intended to be market competitive with similar companies when the Corporation or the individual business units meet or exceed their respective annual operating goals. Additional compensation may be awarded based on achievement of specific extraordinary projects or assignments. Each component of compensation is determined independently, but all components are weighed with reference to the others when the overall package is determined.

Base Salary

Unless determined pursuant to their employment agreements, the base salaries of the Corporation's executive officers are evaluated annually by the GCRC Committee. In evaluating appropriate pay levels and salary increases for the Corporation's executives, the GCRC Committee uses a subjective analysis, considering achievement of the Corporation's strategic goals, level of responsibility, individual performance and internal equity and, where available, external pay practices.

Annual Incentives

Annual incentive cash awards are designed to focus management attention on key operational and risk management goals for the current fiscal year, and are determined after financial results for the relevant year have been finalized. The Corporation's executives may earn a bonus based upon achievement of their specific operational and/or risk management goals and achievement by the Corporation or business unit of its financial targets or associated risk management activities.

Performance goals for the Chief Executive Officer include achievement of budgeted results as well as the implementation of the Corporation's investor relations program. Performance goals for the Chief Financial Officer include timely and accurate reporting as well as administering the Corporation's corporate governance and investor relations programs. Annual incentive awards for NEOs other than the Chief Executive Officer and Chief Financial Officer are determined by the Chief Executive Officer with reference to various factors, including the performance of the Corporation and individual achievements during the year. The performance metrics for each NEO are reviewed and approved by the GCRC Committee. Following each year-end the GCRC

Committee reviews each NEO's achievements against their performance metrics and allocates annual incentive payments accordingly.

Long Term Incentives

The Board recognizes the requirement that senior management have a significant stake in the long term growth and success of the Corporation. A majority of the NEOs (as well as other members of senior management) own a significant equity stake in the Corporation, being as follows:

Name of NEO	Common Shares Beneficially Owned, Directly or Indirectly, Controlled or Directed at April 30, 2017	Approximate Percentage of Outstanding Common Shares at April 30, 2017
W. Edward Gettings, Chief Executive Officer	9,970,709 common shares	8.20%
Lazaro DaRocha, Former President(i)	4,730,833 common shares	3.89%
Marissa Lauder, Chief Financial Officer	47,000 common shares	0.04%
R. Adam Levy, Executive Vice-President and Chief Operating Officer(ii)	1,196,683 common shares	0.98%
Alfonso Casciato, Senior Vice President Sales, Street Capital Bank	1,275,085 common shares	1.05%

(i) Effective April 1, 2017 Mr. DaRocha is no longer employed by the Corporation but has been retained as a consultant for a term ending September 30, 2017.

(ii) Effective February 7, 2017 Mr. Levy was appointed Executive Vice-President and Chief Operating Officer; at December 31, 2016 Mr. Levy held the position of Executive Vice-President and Chief Compliance Officer.

It is also important to note that each of Mr. Gettings, Mr. Levy and Mr. Casciato are prohibited from selling significant portions of the common shares that they own (Mr. Gettings — 7,726,639; Mr. Levy — 384,189; Mr. Casciato — 967,186) such that (i) 25% of such shares may be transferred on or after June 1, 2017; (ii) 50% of such shares may be transferred on or after June 1, 2018; and (iii) 100% of such shares may be transferred on or after June 1, 2019. 3,664,539 of the shares held by Mr. DaRocha were formerly subject to the same prohibition, but those shares became unrestricted as of April 30, 2017. While this equity ownership is not related to compensation matters, the Corporation recognizes the material level of commitment that it represents, and that it promotes management's alignment with shareholders generally, and therefore also the overall long-term success of the Corporation.

Historically, the Corporation's long-term incentive compensation program consisted of stock options and previously issued share purchase loans, which are related to improvement in long-term shareholder value. Stock option grants provided an incentive that focused the executive's attention on managing the Corporation from the perspective of an owner with an equity stake in the business. These grants also focused operating decisions on long-term results that benefited the Corporation and long-term shareholders.

The option grants to executive officers offered the right to purchase common shares at their fair market value on the date of the grant. These options have value only if the Corporation's share price increases. The number of shares covered by each grant was intended to reflect the executive's level of responsibility, and past and anticipated contributions to the Corporation. Previous grants are taken into consideration when considering new grants.

The Corporation has two separate stock option plans: the Director, Officer and Employee Stock Option Plan (the "**1992 Plan**") and the 1997 Plan. These stock option plans are the only components of the Corporation's compensation plans that provide for the issuance of equity securities, as summarized below:

	Options at April 30, 2017	
Plan Name	**Outstanding**	**Available for grant**
1992 Plan	—	53,000
1997 Plan	3,089,587	8,868,847

The number of common shares subject to issue under all share compensation plans is 3,236,177 as of April 30, 2017. This is comprised of the 3,089,587 outstanding options reported above, together with 146,590 shares issuable subject to the requirements of a Deferred Share Units Plan (the "**DSU Plan**") that was previously in effect, and which is described under *Compensation of Directors*, below.

The terms and conditions of the Corporation's stock option plans are summarized below:

1992 Plan

Eligibility	Directors, full-time operating officers and employees of the Corporation with at least one year of service to the Corporation, and any other person or company engaged to provide management services to the Corporation or an affiliate.
Maximum option term	Six years.
Exercise price	The closing price of the shares on the TSX on the day immediately prior to the granting of such options.
Vesting	20% on each of the first through fifth anniversaries of the date of grant, or as otherwise determined by the directors of the Corporation.
Exercise	No option shall be exercisable more than six years from the date of grant. In the event of voluntary or involuntary termination of employment, including termination due to retirement, disability or death, and only to the extent that options have been vested at the date of termination, options may only be exercised before the earlier of the expiry of the option and 60 days from the date of termination (one year in the event of death).
Transfer	Options may only be exercised by participants or, in the event of death, the legal representatives of their estate.
Maximum number of shares issuable	2,700,000 shares, subject to certain adjustments, were originally issuable. Exercised options may not be returned to the pool. At December 31, 2016 and April 30, 2017, 53,000 options remained available for grant.

1997 Plan

Eligibility	Directors, full-time operating officers and employees of the Corporation, and any other person or company engaged to provide management services to the Corporation or an affiliate.
Maximum option term	Six years.
Exercise price	Closing price of the shares on the TSX on the last trading day prior to the date of grant.
Vesting	20% on the date the option was granted and each of the first through fourth anniversaries of the date of grant.
Exercise	No option shall be exercisable more than six years from the date of grant. In the event of voluntary or involuntary termination of employment, including termination due to retirement, disability or death, and only to the extent that options have been vested at the date of termination, options may only be exercised before the earlier of the expiry of the option and 60 days from the date of termination (one year in the event of death).
Transfer	Options may only be exercised by participants or, in the event of death, the legal representatives of their estate.
Maximum number of shares issuable	The aggregate number of shares issued under the 1997 Plan and all other share compensation arrangements is limited to 10% of the issued and outstanding common shares, subject to certain adjustments. In addition, no participant under the 1997 Plan may at any time hold options entitling him or her to acquire more than 5% of the aggregate number of shares outstanding on a non-diluted basis. Further, the aggregate number of common shares issued to insiders of the Corporation within any 12-month period, or issuable to insiders of the Corporation at any time, under the 1997 Plan and any other share compensation plan of the Corporation, may not exceed 10% of the total number of issued and outstanding common shares of the Corporation at such time.

Amendments to the Corporation's stock option plans

Both the 1992 Plan and the 1997 Plan may be amended by resolution of the Board, provided that such amendment shall:

(a) not adversely alter or impair any option previously granted except as permitted by the provisions of the Section entitled "Certain Adjustments" of each Plan;

(b) be subject to any regulatory approvals including, where required, the approval of the TSX; and

(c) be subject to shareholder approval, where required by law or the requirements of the TSX, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:

  (i) amendments of a "housekeeping nature";

  (ii) a change to the vesting provisions of any option;

  (iii) a change to the termination provisions of any option that does not entail an extension beyond the original expiration date;

  (iv) the introduction of a cashless exercise feature payable in securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Plan reserve;

(v) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted; and

(vi) a change to the eligible participants of the Plan.

Notwithstanding the foregoing, (a) under the 1992 Plan, the Corporation will be required to obtain the approval of the shareholders of the Corporation for any amendment related to (i) the number of shares issuable under the 1992 Plan, including an increase to a fixed maximum number of shares or a change from a fixed maximum number of shares to a fixed maximum percentage; (ii) a reduction in the exercise price for options held by insiders; and (iii) an extension to the term of options held by insiders, other than those under Section 10 of the 1992 Plan; and (b) under the 1997 Plan the Corporation will be required to obtain the approval of the shareholders of the Corporation for any amendment related to (i) the percentage of issued and outstanding common shares issuable under the 1997 Plan; (ii) a reduction in the exercise price for options held by insiders; (iii) an extension to the term of options held by insiders, other than those under Section 9 of the 1997 Plan; and (iv) the limitations in Section 7 and the amendment provisions in Section 20 of the 1997 Plan.

Executive Compensation — Related Fees

In the fourth quarter of 2014, in connection with expected changes in the Corporation's senior management, Knightsbridge Human Capital Management Inc. ("**Knightsbridge**"), a professional, third party service provider, was retained to assist the Corporation with its succession planning process. The services were extended into 2015, and, in conjunction with the Corporation's reorganization, the GCRC Committee obtained assistance from Knightsbridge to determine the proper severance payment due to Allan Silber from his services as CEO. Knightsbridge provided the GCRC Committee with a written report. Payments to Knightsbridge for all services provided totaled $46,350.

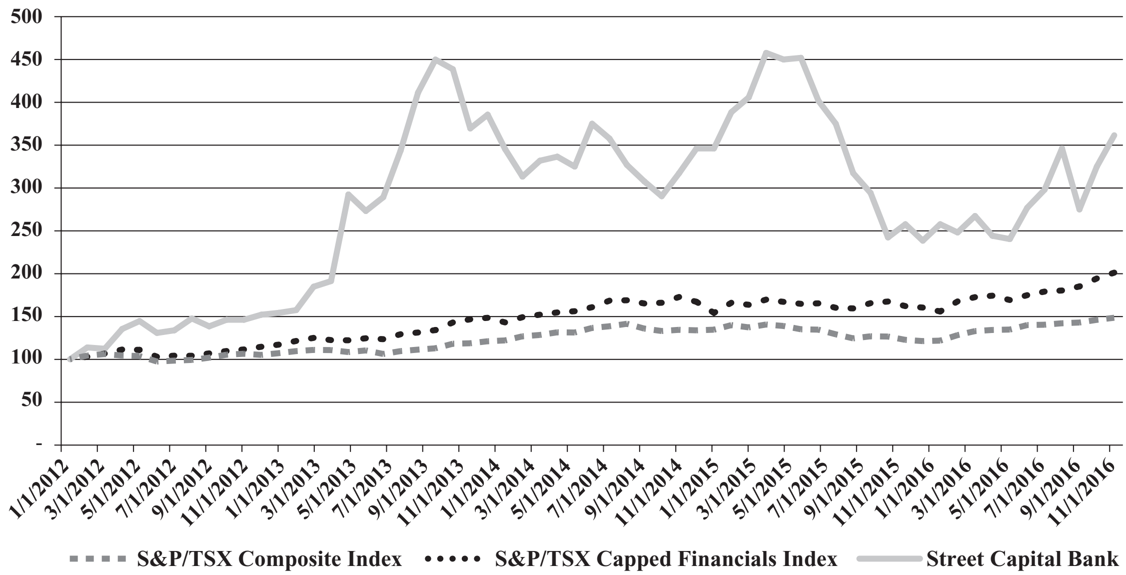
As discussed above, in the *Compensation Discussion and Analysis* section of this Circular, as part of its ongoing goal of aligning the Corporation's corporate governance framework with accepted best practices, in 2016 the GCRC Committee commenced a review of the Corporation's compensation practices and plans and engaged a third party compensation consulting firm, Mercer, to guide the GCRC Committee through this process. The GCRC Committee completed this review in 2016, and any subsequent changes made to compensation practices, as pursuant to applicable laws, were outlined under *Compensation Discussion and Analysis*, above. No fees related to this engagement were paid in 2015. The total fees dispersed to Mercer in 2016 were $194,459, and in 2017 Mercer was paid $8,354 up to the date of this Circular.

Hedging of Equity-Based Compensation

The Corporation's Code of Conduct and Ethical Behavior prohibits NEOs and directors from purchasing financial instruments designed to hedge or offset a decrease in the market value of equity securities of the Corporation granted as compensation or held, directly or indirectly, by the NEO or director.

Shareholder Return Performance Graph

The following graph shows changes over the five-year period commencing December 31, 2011 and ending December 31, 2016 in the value of $100 (assuming reinvestment of dividends) invested in (1) the Corporation's common shares, (2) the S&P/TSX Composite Index, and (3) the S&P/TSX Capped Financials Index. The Corporation has chosen to present two indices due to its transition, over the period presented, from operating in multiple sectors to operating solely within the financial services sector. The trend in the graph does not correlate to the trend in the Corporation's compensation to executive officers over the period. Share price is not one of the executives' performance criteria.



Summary Compensation Table

The following table sets forth the compensation paid during the 2014, 2015 and 2016 financial years in respect of each of the NEOs during such year.

	Year	Salary ($)	Non-equity annual incentive plan compensation	All other compensation ($)(1)	Total compensation ($)
			Annual incentive plans ($)		
W. Edward Gettings Chief Executive Officer	2016 2015 2014	475,000 475,000 475,000	308,750 475,000 475,000	39,464 53,392 39,830	823,214 1,003,392 989,830
Lazaro DaRocha Former President(2)	2016 2015 2014	450,000 450,000 450,000	1,192,500 1,350,000 1,350,000	130,612 77,074 69,598	1,773,112 1,877,074 1,869,598
Marissa Lauder Chief Financial Officer	2016 2015	280,000 152,744(3)	196,000 280,000	14,012 82,954(4)	490,012 515,698
R. Adam Levy Executive Vice President and Chief Compliance Officer(5)	2016 2015 2014	500,000 350,000 350,000	350,000 175,000 175,000	48,179 41,456 42,050	898,179 566,456 567,050
Alfonso Casciato Senior Vice President, Sales, Street Capital Bank	2016 2015 2014	275,000 252,083 220,000	247,500 222,917 150,000	40,718 31,120 32,389	563,218 506,120 402,389

(1) This amount includes insurance premiums and employer matching of RRSP contributions for all of the NEOs. For Mr. Gettings, Mr. DaRocha, Mr. Levy and Mr. Casciato this amount also includes car lease payments. For Mr. Gettings and Mr. DaRocha it also includes health spending account contributions. For Mr. DaRocha, it also includes a housing allowance.
(2) Effective April 1, 2017 Mr. DaRocha is no longer employed by the Corporation but has been retained as a consultant for a term ending September 30, 2017.
(3) Ms. Lauder's employment with the Corporation commenced June 15, 2015.
(4) Ms. Lauder was paid a signing bonus of $80,000.
(5) Effective February 7, 2017 Mr. Levy was appointed Executive Vice-President and Chief Operating Officer.

Incentive Plan Awards

Stock Options

The following table sets out the value of unexercised options for each NEO as of December 31, 2016. Mr. Gettings, Mr. DaRocha, Ms. Lauder and Mr. Casciato do not currently hold any options.

	Outstanding Option-Based Awards			
Name	Number of Common Shares Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-The-Money Options ($)
R. Adam Levy	110,000	0.65	November 9, 2017	135,300

The following table sets out, for each NEO, the value of incentive plan awards which vested or were earned during the year ended December 31, 2016.

Name	Options — Value Vested During the Year ($)	Non-Equity Incentive Plan — Value Earned During the Year ($)
W. Edward Gettings	—	308,750
Lazaro DaRocha	—	1,192,500
Marissa Lauder	—	196,000
R. Adam Levy	—	350,000
Alfonso Casciato	—	247,500

Equity Compensation Plan Information

The following table sets out information relating to common shares issuable in connection with the Corporation's equity compensation plans at December 31, 2016.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options or Conversion of DSUs	Weighted-Average Exercise Price of Outstanding Options ($)	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	3,138,031	1.14	8,868,559
Equity compensation plans not approved by security holders	—	—	—
Former DSU plan	146,590	N/A	N/A
Total	3,284,621	1.14	8,868,559

Employment Contracts and Termination Payments

The Corporation's subsidiary, Street Capital Bank, entered into an employment agreement with W. Edward Gettings, effective May 31, 2011. Mr. Gettings' annual salary is $475,000, subject to discretionary increases, and he is eligible for a bonus of up to $475,000 based on achievement of performance criteria established at the beginning of each fiscal year. Pursuant to the employment agreement, in the event of his termination by Street Capital Bank without cause, Mr. Gettings would be paid an amount equal to one year's base salary and bonus for the fiscal year in which termination occurs. Assuming Mr. Gettings was terminated without cause at December 31, 2016, he would be entitled to a payment of $950,000. The Corporation may terminate Mr. Gettings' employment for cause without the requirement to pay the prescribed termination amounts.

The Corporation's subsidiary, Street Capital Bank, entered into an employment agreement with Lazaro DaRocha, effective May 31, 2011. For 2016, Mr. DaRocha's annual salary was $450,000, and he was eligible for a bonus of up to $450,000 based on achievement of performance criteria established at the beginning of the year. He was also eligible for an additional annual bonus of up to $900,000 based on the achievement of annual targets established at the beginning of the year. On March 21, 2017, Mr. DaRocha announced his intention to retire from the Corporation and Street Capital Bank effective September 30, 2017. Effective April 1, 2017, Mr. DaRocha's employment as President was terminated and he instead contracted to provide services to the Corporation and Street Capital Bank as a consultant for a period ending September 30, 2017. In connection with his retirement, the Corporation will pay Mr. DaRocha compensation totalling $3,600,000 over two years.

The Corporation's subsidiary, Street Capital Bank, entered into an employment agreement with Marissa Lauder, effective May 21, 2015. Ms. Lauder's annual salary is $280,000 subject to discretionary increases, and she is eligible for a bonus of up to $280,000 based on the achievement of performance criteria established at the beginning of each fiscal year. In the event of her termination by Street Capital Bank without cause, Ms. Lauder would be paid an amount equal to twelve month's base salary plus an additional four weeks per year of service up to a maximum of fifty-two weeks. Assuming Ms. Lauder was terminated without cause at December 31, 2016, she would be entitled to a payment of approximately $312,000. The Corporation may terminate Ms. Lauder's employment for cause without the requirement to pay the prescribed termination amounts.

Street Capital Bank entered into an employment agreement with R. Adam Levy, effective January 1, 2016. Mr. Levy's annual salary is $500,000, subject to discretionary increases, and he is eligible for a bonus of up to $500,000 based on achievement of performance criteria established at the beginning of each fiscal year. Pursuant to the employment agreement, in the event of his termination by Street Capital Bank without cause, Mr. Levy would be paid an amount equal to two times his then-current base salary and target annual bonus. Assuming Mr. Levy was terminated without cause at December 31, 2016, he would be entitled to a payment of $2,000,000. The Corporation may terminate Mr. Levy's employment for cause without the requirement to pay the prescribed termination amount.

The Corporation's subsidiary, Street Capital Bank, entered into an employment agreement with Alfonso Casciato, effective April 20, 2015. Mr. Casciato's annual salary is $275,000, subject to discretionary increases, and he is eligible for a bonus of up to $275,000 based on achievement of performance criteria established at the beginning of each fiscal year. Pursuant to the employment agreement, in the event of his termination by Street Capital Bank without cause, Mr. Casciato would be paid an amount equal to one year's base salary for the fiscal year in which termination occurs. Assuming Mr. Casciato was terminated without cause at December 31, 2016, he would be entitled to a payment of $275,000. The Corporation may terminate Mr. Casciato's employment for cause without the requirement to pay the prescribed termination amounts.

Compensation of Directors

The following table sets out all amounts of compensation provided to the directors for the year ended December 31, 2016.

Name	Position	Committee Membership	Fees Earned ($)[1]	Option-based awards ($)	All other compensation ($)	Total ($)
Allan C. Silber	Chair		250,000	—	—	250,000
W. Edward Gettings			—	—	—	—
Paul Vessey	Chair of GCRC Committee	Audit, GCRC	91,000	—	—	91,000
Morris Perlis		GCRC	62,000	—	—	62,000
Ronald Appleby		Audit, GCRC	69,500	—	—	69,500
Lea Ray	Chair of Audit Committee	Audit, Street Capital Bank ERM	100,000	—	—	100,000
Ron Lalonde	Chair of Street Capital Bank ERM Committee	Street Capital Bank ERM	83,500	—	—	83,500
Tom Bermingham		Street Capital Bank ERM	59,000	—	—	59,000

(1) All current members of the Board have also served as Street Capital Bank's board of directors since the first quarter of 2015, and hold the same positions on the Committees of both boards. Since June 18, 2015, the only compensation paid by Street Capital Bank is with respect to its ERM Committee. This compensation is also included in the table.

W. Edward Gettings did not receive any compensation for serving as a director in 2016. His compensation as an officer is set out above in the Summary Compensation Table.

The Corporation pays fees to directors who are not officers of the Corporation or its subsidiaries. The Chair of the Board is paid an annual retainer of $250,000, and receives no additional compensation for meetings. The remaining Directors are paid an annual retainer of $38,000. The Chair of the Audit Committee is paid an annual retainer of $35,000 and the Chairs of both the GCRC Committee and Street Capital Bank's ERM Committee are paid $20,000. The fees for both Board and Committee meetings are $1,500 per meeting. Directors may also receive fees for special committee work on an ad hoc basis. No such fees were paid during 2016.

Prior to 2015, a portion of the director compensation was related to the Corporation's common stock. Beginning in March 2006, the Corporation instituted the DSU Plan, under which eligible directors received an annual grant of the number of deferred share units equal to $20,000 divided by the closing price of the Corporation's common stock on the trading day immediately preceding the grant. Retiring directors were entitled to be paid for their units based on the closing price of the Corporation's common stock on the trading day immediately following retirement date. In June 2011, the Corporation ceased granting DSUs, but outstanding DSUs retained the existing terms of the DSU Plan.

Effective November 7, 2013, amendments to the DSU Plan provided for payment in common shares of the Corporation instead of cash. At December 31, 2015, there were 812,967 DSUs outstanding, of which 666,378 were held by retired directors and were eligible for conversion to that number of common shares. During the first quarter of 2016, these 666,378 DSUs were converted into common shares. There were no other conversions during 2016 and at December 31, 2016, there remained 146,590 DSUs outstanding. As of April 30, 2017, if the director holding these DSUs was to become entitled to payment under the DSU Plan, the DSUs would be converted into the same number of common shares.

Beginning in 2011, and ending in 2014, non-employee director compensation included a stock-based component that consisted of options to purchase common shares of the Corporation. Annually, the number of options that corresponded to a value of $30,000 using the Black-Scholes option pricing model was granted to each director under the 1997 Plan. The options had an exercise price equal to the closing price of the Corporation's common stock on the last trading day prior to the date of grant, and vested 20% on the date of grant with the balance vesting in equal amounts at the beginning of each quarter for the next 11 quarters, with a six-year term.

Stock Options

The following table sets out the value of unexercised options for each director as of December 31, 2016. Mr. Gettings, Ms. Ray, Mr. Lalonde and Mr. Bermingham do not hold any options.

	Outstanding Option-Based Awards			
Name	Number of Common Shares Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-The-Money Options ($)
Allan C. Silber(i)	1,500,000	0.91	April 16, 2018	1,455,000
Paul Vessey	49,100 48,444 24,307 26,205	0.83 0.87 1.80 1.95	July 1, 2017 July 1, 2018 July 1, 2019 July 1, 2020	51,555 48,928 1,945 —
Morris Perlis(i)	265,000	1.70	December 9, 2020	47,700
Ronald Appleby	49,100 48,444 24,307 26,205	0.83 0.87 1.80 1.95	July 1, 2017 July 1, 2018 July 1, 2019 July 1, 2020	51,555 48,928 1,945 —

(i) Mr. Silber and Mr. Perlis were granted these options in 2012 and 2014, respectively, as a component of their compensation as employees of the Corporation. Neither Mr. Silber nor Mr. Perlis have received any options in connection with their service as Directors of the Corporation.

Incentive compensation

No director, other than W. Edward Gettings, for whom such information is disclosed above in the *Summary Compensation Table*, earned any incentive compensation during the year ended December 31, 2016. However, during the same period, 300,000 of the options held by Allan Silber vested, with a value of $141,000.

INDEBTEDNESS

The aggregate indebtedness to the Corporation and its subsidiaries as at the date hereof, of all officers, directors and employees entered into in connection with a purchase of securities of the Corporation or any of its subsidiaries, excluding routine indebtedness, was $2,476,119.

Indebtedness of Directors and Executive Officers under Securities Purchase Plans and Other Programs

The following table sets forth information relating to the directors and executive officers, or former executive officers, of the Corporation, who are, or during the most recently completed financial year, were, indebted to the Corporation (other than routine indebtedness) or to any subsidiaries:

Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During 2016 ($)	Amount Outstanding as of April 30, 2017 ($)	Financially Assisted Securities Purchased During 2016 (#)	Security for Indebtedness
Securities Purchase Program:					
ALLAN SILBER Chair of the Board and former Chief Executive Officer	Lender	1,500,000	1,500,000	NIL	300,000 common shares
STEPHEN WEINTRAUB Former Secretary and former Chief Financial Officer	Lender	411,559	411,559	NIL	162,500 common shares
Other Programs:					
R. ADAM LEVY Executive Vice-President and Chief Operating Officer(1)	Lender	564,560	564,560	NIL	N/A(2)

(1) Effective February 7, 2017 Mr. Levy was appointed Executive Vice-President and Chief Operating Officer; at December 31, 2016 Mr. Levy held the position of Executive Vice-President and Chief Compliance Officer.

(2) The Corporation assisted Mr. Levy with the purchase of common shares in order to satisfy an agreement between Mr. Levy and the Corporation. The costs associated with this agreement were included as part of the organizational realignment and share exchange completed by the Corporation in June 2015. The loan is non-interest bearing and is due December 31, 2017.

Mr. Silber's securities purchase loan is non-interest bearing, is current, and is due on demand.

Mr. Weintraub's securities purchase loan is non-interest bearing, and is due December 31, 2020.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

The Corporation recognizes that the quality of its corporate governance practices is an important factor in maintaining the confidence of stakeholders as well as overall market confidence. The Board and senior management therefore strive to be aware of best practices related to corporate governance that are applicable to the Corporation's businesses, size and complexity, and to adopt such best practices, as appropriate.

The Corporation's approach to corporate governance is guided by the following core principles:

Integrity

The Board sets the ethical tone for the Corporation, and actively participates in the promotion of legal and regulatory compliance and appropriate standards of honesty, integrity and ethics throughout the organization.

Stewardship

The Board are the stewards of the Corporation, exercising independent judgment in supervising management and considering the perspectives of investors and regulators, among others.

Independence

An independent Board plays a crucial role in protecting the interests of stakeholders and maximizing the value they receive from their investment in the Corporation. The majority of directors on the Board are independent.

1. The Board of Directors

Board Composition and Independence

The majority of the Board is independent from senior management. The Board's behaviour and decision-making process are objective and effective, taking into account the structure of the Corporation and Board member affiliations.

"Independence" is a core principle of the Corporation's governance policies and procedures. In the context of its governance policies and procedures, with a small Board and management structure, the Corporation understands "demonstrable independence" is a quality that is demonstrated through practices and behaviours, and not necessarily defined by employment relationships or affiliations. Where independence requirements are defined by statute, such as in respect of Board composition, the statutory requirement is observed.

The Board's ability to act independently of senior management is demonstrated through practices such as having regularly scheduled Board and Board committee meetings that include sessions without senior management present. It also includes separation of the roles of the Chair and CEO, for both the Corporation and Street Capital Bank.

The recruitment process for new directors and the development of a director profile (both responsibilities of the Board) emphasize the independence of Board members from senior management. The independence review also takes into consideration the specific shareholder/ownership structure of the Corporation. Where appropriate, director tenure will also be factored into the independence review.

A director is considered independent only where the Board affirmatively determines that the director has no material relationship with the Corporation, including as a partner, shareholder, or officer of an organization that has a material relationship with the Corporation. A "material relationship" is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment and includes an indirect material relationship. The Board will make a determination concerning the independence of a director each year at the time the Board approves director nominees at the Corporation's annual meeting, as well as at initial election to the Board.

The Board is currently comprised of eight individuals, five of whom are independent. One independent director, Paul Vessey, will not be standing for re-election, and therefore if the remaining nominees described in this

Circular are elected at the Meeting, the Board will be comprised of seven individuals, four of who will be independent. Mr. Gettings is a related director as he is an officer of the Corporation. Mr. Silber and Mr. Perlis are related directors as they were officers of the Corporation within the last three years. The term "independent" is as defined in Multilateral Instrument 52-110, Section 1.4. The current size of the Board, and the size of the Board as contemplated in this Circular, provide for effective participation by all directors.

Applicable securities laws and policies suggest that every board should have in place appropriate structures and procedures to ensure that it can function independently of management. In order to discharge its responsibilities effectively, the Board has established two committees from its membership: the Audit Committee and the GCRC Committee. The Audit Committee is comprised of independent directors, and the GCRC Committee is comprised of two out of three independent directors. This structure helps enable the Board to function independently of management. In addition, non-management Board members meet as required to discuss issues without the presence of management. The Board has the authority to retain and terminate external counsel, consultants or other advisors that it determines to be necessary to permit it to carry out its duties and to set the compensation of these advisors. The Corporation provides appropriate funding, as determined by the Board, for the services of these advisors.

The Corporation's wholly-owned and sole operating subsidiary, Street Capital Bank, also has Audit and GCRC Committees in place, comprised of the same members as the Corporation's committees. Street Capital Bank also has established an Enterprise Risk Management ("**ERM**") Committee, comprised of independent directors.

During 2016, the independent directors did not hold meetings during which both non-independent directors and members of management were not in attendance. However, both the Board and its committees have the opportunity to hold *in camera* sessions following their respective meetings. During 2016, the non-management directors held an *in camera* session following each Board meeting, during which management was not present. Similarly, the Audit Committee held an *in camera* session following each Audit Committee meeting, and the GCRC Committee held an *in camera* session following each of its meetings, during which management was not present. The committees also have the opportunity to hold *in camera* sessions with selected members of senior management, including the Chief Internal Auditor, Chief Financial Officer, Chief Compliance Officer and Chief Risk Officer. *In camera* sessions were held with each member listed at four meetings.

The responsibility for shareholder communication and the disclosure policy of the Corporation has been delegated by the Board to senior management of the Corporation. Shareholder communication is generally handled by the Chief Financial Officer of the Corporation. The Corporation sends all of its annual and quarterly disclosure documents and financial statements to its registered shareholders and issues press releases with respect to material information of the Corporation. In addition, the Chief Financial Officer of the Corporation or another appropriate member of management will respond to any inquiries from shareholders. A copy of the Corporation's disclosure policy can be found at *www.streetcapital.ca*.

Board Committees

Audit Committee

During 2016, the Audit Committee was comprised of Lea Ray, Paul Vessey and Ronald Appleby, all of whom are considered independent directors as defined under National Instrument 52-110. Each member of the Audit Committee is financially literate. Mr. Vessey will not be standing for re-election. If the remaining nominees described in this Circular are elected at the Meeting, it is expected that the vacant position on the Audit Committee resulting from Mr. Vessey's departure will be filled by Tom Bermingham, an independent director. It is also expected that this replacement will be made on the same day as the Meeting. The Audit Committee will therefore remain comprised of three directors who are each independent and financially literate.

The Audit Committee has the overall responsibility for performing the duties set out in the relevant legislation and regulations, for both the Corporation and Street Capital Bank, and to assist the Board in fulfilling its oversight responsibilities in relation to:

- The integrity of the Corporation's financial statements and financial reporting process
- The integrity of the Corporation's systems of internal accounting and financial controls

- The internal and external auditing, including the qualifications and independence of the outside auditor and the performance of the Corporation's internal audit function
- Legal and regulatory compliance
- Fraud risk management
- Whistleblowing procedures
- Other Audit Committee functions as set forth in the Corporation's Audit Committee Mandate

The Audit Committee has unrestricted access to the Corporation's internal and independent auditors without the presence of management, and holds *in camera* sessions with the independent auditors at least quarterly, as part of its review of the Corporation's operating results. The Audit Committee operates pursuant to a written mandate that was approved and adopted by the Board on February 1, 2017. Further information regarding the Audit Committee is set forth in the Corporation's Annual Information Form under the heading "Audit Committee Information", which is available on SEDAR at *www.sedar.com.*

Governance, Conduct Review and Compensation Committee

During 2016 the GCRC Committee was comprised of Paul Vessey, Morris Perlis and Ron Appleby. Mr. Vessey and Mr. Appleby are considered independent directors as defined under National Instrument 52-110. Mr. Perlis, while independent of senior management of the Corporation, is not considered an independent director of the Corporation due to his previous role of Executive Vice Chairman from July 2009 to June 2015. The Corporation believes that, given Mr. Perlis' independence from senior management, this previous role in no way interferes with his exercise of independent judgement with respect to his duties on the board generally and specifically with respect to those of the GCRC Committee.

Mr. Vessey will not be standing for re-election. If the remaining nominees described in this Circular are elected at the Meeting, it is expected that the GCRC Committee will remain comprised of two directors, one of whom is independent, and that in due course the vacancy resulting from Mr. Vessey's departure will be filled by another independent director. The GCRC Committee reviews the remuneration of the Corporation's officers and performs other functions described under *Compensation Discussion and Analysis* elsewhere in this Circular.

The GCRC Committee has the overall responsibility to assist the Board in fulfilling its oversight responsibilities in relation to:

- Transactions involving related parties, including compliance with the Corporation's Related Party Transactions and Conflicts of Interest Policy, and the Corporation's Outsourcing Policy
- The identification and resolution of conflicts of interest
- The use and disclosure of confidential information, including customer and employee information
- The Corporation's Corporate Governance Policy including its Code of Conduct and Ethical Behavior
- Selected human resources policies to ensure alignment of senior management's activities and the Corporation's legislative and fiduciary responsibilities, including performance management and executive compensation
- Consumer protection measures and dealing with customer complaints, including the activities of the Corporation's Ombudsman
- Outsourcing to, and purchasing of services from, third party providers
- The Corporation's internal and corporate governance practices and procedures
- Nomination of new directors

Enterprise Risk Management Committee

During 2016, the ERM Committee was comprised of Ron Lalonde, Lea Ray and Tom Bermingham, all of whom were independent directors. If the nominees described in this Circular are elected at the Meeting, it is expected that the ERM Committee will remain comprised of three independent directors.

The ERM Committee has the overall responsibility for performing the duties set out in this mandate to assist the Board of Directors of the Bank in fulfilling its oversight responsibilities in relation to:

- the Bank's processes for:
  - management of credit risk
  - asset and liability management including management of market, and liquidity and funding risks
  - management of operational risk
  - identifying current and emerging risks
  - risk measurement and assessment
  - developing and assessing the enterprise-wide risk framework
  - implementation of the risk appetite framework
  - managing capital
- assessment of the Bank's risk tolerance limits and its risk capacity
- the Bank's processes to manage and mitigate the risks of its business activities within those tolerance limits and the Bank's risk appetite framework
- the Bank's Residential Mortgage Policy, Market Risk Policy; Liquidity and Funding Risk Policy and Operational Risk Policy
- the effectiveness and adherence to internal risk management policies and procedures
- promotion of the achievement of the Bank's strategic and business objectives, while facilitating strong risk governance and alignment with regulatory expectations
- enabling the outcomes of risk-taking activities across the enterprise to be consistent with the Bank's objectives and risk appetite and to appropriately balance risk and reward

Number of Board and Committee Meetings Held

The Board and its committees, including the ERM Committee of Street Capital Bank, have a mandate to meet no less than four times during each financial year. The following table sets forth the number of Board and committee meetings held, and attendance by directors, for the year ended December 31, 2016:

Director	Board Meetings(1)	Audit Committee Meetings	GCRC Committee Meetings	ERM Committee Meetings
ALLAN C. SILBER	7/7	N/A	N/A	N/A
W. EDWARD GETTINGS	7/7	N/A	N/A	N/A
PAUL VESSEY	7/7	4/4	8/8	N/A
MORRIS PERLIS	7/7	N/A	6/8	N/A
RONALD APPLEBY	7/7	4/4	8/8	N/A
LEA RAY	7/7	4/4	N/A	4/4
RON LALONDE	7/7	N/A	N/A	4/4
TOM BERMINGHAM	7/7	N/A	N/A	4/4

(1) In addition to the Board meetings reported in this table, during 2016 the Board also held three training sessions covering industry, statutory, fiduciary and OSFI updates.

2. Board Mandate

The mandate of the Board is included in Schedule A attached to this Circular.

The Board has statutory responsibility to manage or supervise the management of the business and affairs of the Corporation, subject to the provisions of the *Business Corporations Act* (Ontario), and the Board also has statutory responsibility to manage or supervise the management of the business and affairs of Street Capital Bank, subject to the provisions of the *Bank Act*. The Board has overall responsibility for providing direction, guidance and oversight across the Corporation. The Board may delegate some of its responsibilities to Board committees or senior management, as defined by the Board. Senior management has overall responsibility for the oversight and management of the Corporation on a day-to-day basis, within the authority delegated by the Board and the Corporation's CEO and in compliance with applicable laws and regulations.

Below is a summary of some of the most important activities undertaken by the Board:

- Review and approve the objectives and goals for the Corporation's business, and the strategies to be used to achieve these objectives and goals.
- Review and approve material strategic initiatives including, without limitation, significant new lines of business or product launches, significant portfolio transactions (acquisitions and dispositions), mergers and acquisitions.
- Promote a culture of integrity.
- Approve Street Capital Bank's risk appetite framework and the risk tolerance of Street Capital Bank.
- Oversee the Corporation's approach to corporate governance, including corporate governance principles and policies, establishing Board committees, setting expectations of directors, and undertaking regular evaluation of the Board, its committees and members, and the delegation of policies to senior management.
- Review and approve the Corporation's overall internal control framework and monitor its effectiveness.
- Monitor the Corporation's progress towards its goals and the management of its business risks, and revise and alter strategies in light of changing circumstances.
- Actively supervise the selection, appointment, development, evaluation and compensation of the CEO and, where appropriate, other members of senior management, including the heads of the Corporation's oversight functions (Chief Financial Officer, Chief Operating Officer, Chief Internal Auditor, Chief Risk Officer and Chief Compliance Officer).
- Review and assess the contingency and long-term succession plans for the CEO and, where appropriate, senior management, including the heads of the Corporation's oversight functions.
- Oversee the integrity of the financial performance of the Corporation and report to its shareholders on a timely basis in accordance with generally accepted accounting principles.
- Assess the effectiveness of the Corporation's communications, including measures for receiving feedback from stakeholders.

The division of responsibility between the Board and management of the Corporation, including the CEO, is determined by the materiality of the decisions to be made regarding the business of the Corporation. All material decisions require Board approval.

3. Mandates

The Board has developed mandates for the Chief Executive Officer and Chair of the Board. Duties for Chairs of the Board committees are included in each Committee's mandate. These mandates can be found at *www.streetcapital.ca*.

4. Orientation and Continuing Education.

New directors are provided with an orientation binder containing materials relevant to the director's responsibilities, including details of the Corporation's organizational structure, the structure of the Board and its committees, position descriptions and corporate policies. Senior management presentations will familiarize new directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct and Ethical Behaviour, its principal officers, and its internal and independent auditors.

On an ongoing basis, directors receive presentations on various aspects of the Corporation's businesses and operations. Directors identify their continuing education needs through a variety of means, including discussions with senior management and at Board and committee meetings. To encourage directors to upgrade their expertise, the Corporation reimburses directors for their reasonable pre-approved expenses for attending education sessions.

5. Ethical Business Conduct

On August 15, 2015, the Corporation adopted a new Code of Conduct and Ethical Behavior, which is updated as required. The Board believes that senior management must create a culture of strong corporate governance, ethical business conduct and integrity throughout the organization. The Corporation's Code defines the behaviour that the Corporation expects of its employees, addresses many areas of business conduct, and provides a procedure for employees to raise concerns or questions regarding breaches of the Code and questionable audit or accounting matters. All employees and officers are expected to acknowledge on an annual basis that they understand, and are compliant with, the Code.

The Code addresses the following:

(a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;

(b) protection and proper use of corporate assets and opportunities, including the use of information systems and social media;

(c) confidentiality of corporate and personal information;

(d) fair dealing with the Corporation's shareholders, customers, suppliers, competitors and employees;

(e) compliance with laws, rules and regulations; and

(f) reporting of any illegal or unethical behaviour.

To ensure directors exercise independent judgement in considering transactions, agreements or decisions in respect of which a director or executive officer has declared a material personal interest (in accordance with relevant corporate law requirements), the Board follows a practice whereby any such board member must not cast a vote on any such matter.

The GCRC Committee is responsible for monitoring compliance with the Code. The Corporation's Audit Committee is responsible for the oversight of the Whistleblower Code. Any person can report complaints or concerns, which may be on an anonymous basis, arising from infractions of the Code by emailing the Chair of the Audit Committee (currently, Lea Ray).

The Code is available on the Corporation's website *www.streetcapital.ca*.

6. Nomination of Directors and Compensation

The GCRC Committee is responsible for nominating new directors. Any director may nominate candidates for the Board and nominations are reviewed by the GCRC Committee and the Board.

The Board is responsible for recommending the new director nominees to the Corporation's shareholders for the next annual meeting of shareholders. In making its recommendations, the Board considers:

- any selection criteria approved by the Board from time to time, including the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- the competencies and skills that each existing director possesses;
- the competencies and skills each new nominee would bring to the Board; and
- any recommendations by individual directors, whether or not a member of the GCRC Committee.

The GCRC Committee also considers whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.

Compensation of the Corporation's directors is described under *Compensation of Directors* elsewhere in this Circular.

Pursuant to a share purchase agreement dated May 13, 2015 (the "**Purchase Agreement**"), the Corporation has agreed that for so long as W. Edward Gettings continues to own at least 50% of the common shares issued to him pursuant to the Purchase Agreement, the Corporation will take all necessary action to ensure that Mr. Gettings will be nominated annually for election as a director of the Corporation, subject to any required regulatory approvals and applicable law.

7. Assessments

The Board conducts, occasionally with the assistance of independent external advisors, an annual self-review and assessment of its performance in regards to the adequacy of policies and practices. This review is designed to assess the effectiveness of the Board, its committees, and individual Directors (including the Chair) in carrying out their responsibilities.

8. Director Term Limits and Mechanisms of Board Renewal

The Board has not established term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and, therefore, provide an increasing contribution to the Board as a whole.

As an alternative to term limits, the GCRC Committee reviews each director's continuation on the Board and committee membership every year. This allows each director the opportunity to confirm his or her desire to continue as a member of the Board and of any committees. This review allows the GCRC Committee to assess the continuing contributions of each director and, if appropriate, to recommend that a particular director step down from the Board.

9. Considerations, Policies and Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Board strongly supports the principle of boardroom diversity, of which gender is one important aspect. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments based on merit and against objective criteria, including diversity.

Given this aim, the Corporation does not have policies or targets relating to the representation of women on the Board or in senior management for reasons similar to not having a policy relating to term limits. While the Board recognizes the benefits of diversity, including gender diversity, on the Board and in senior management positions, it also is of the view that quotas or strict rules could limit the Board's ability to ensure that the overall composition of the Board and the management team meets the Corporation's needs. The Board therefore identifies and selects candidates based on a careful consideration and weighing of the criteria described above and any other relevant factors (including without limitation an individual's expertise, qualifications, experience, background, personal characteristics and the needs of the Corporation at the time). Accordingly, in searches for new directors or officers, the Board considers the level of female representation and diversity on the Board and in senior management as one of a multitude of factors.

10. Number of Women on the Board and in Executive Officer Positions

The Corporation currently has one woman director (12.5%) on the Board. In addition, in 2016 there was one woman officer (20%) among the Corporation's executive officers.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains liability insurance for directors and officers of the Corporation and its subsidiaries. The policy provides insurance for directors and officers of the Corporation and its subsidiaries in respect of losses arising from claims against them for certain of their acts, errors or omissions in their capacity as directors or officers. Additionally, the Corporation also is insured against any loss arising out of any liability that it may be required or permitted by law to pay to directors or officers in respect of such claims. The policy does not distinguish between the liability insurance for its directors and officers, the coverage being the same for both groups.

The policy limit for such insurance coverage is $15 million in each policy year with no deductible for individual directors or officers and a deductible of $100,000 for the Corporation per occurrence. The premium for the 12-month period ending December 1, 2017 was $53,000, which was paid by Street Capital Bank. The premium is not allocated between the directors and officers as separate groups.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Circular, to the best of management's knowledge, no insider, proposed nominee for election to the Board, or any associate or affiliate of such insider or proposed nominee has had any material direct or indirect interest in any transaction with the Corporation since January 1, 2016, or in any proposed transaction, which has materially affected or would materially affect the Corporation or any of its subsidiaries.

NORMAL COURSE ISSUER BID

The Corporation has a Normal Course Issuer Bid (the "**NCIB**") on the TSX which allows for the purchase and cancellation of up to 2,430,636 common shares at market prices. A copy of the Corporation's Notice of Intention filed with the TSX can be found at *www.sedar.com* or by contacting the Corporation. The current NCIB expires on March 22, 2018. Under the NCIB that commenced March 23, 2016 and expired on March 22, 2017, the Corporation purchased 630,132 common shares at a volume weighted average price of $1.44.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at *www.sedar.com* and at the Corporation's website, *www.streetcapital.ca*. In addition, the Corporation will provide to any person or company, upon receipt of a request by the Chief Financial Officer of the Corporation at 1 Toronto Street, Suite 700, P.O. Box 3, Toronto, Ontario, M5C 2V6, a copy of: (i) the most recent Annual Information Form, together with a copy of any document or pertinent pages of any document incorporated therein by reference; (ii) the consolidated comparative financial statements of the Corporation for its fiscal year ended December 31, 2016, and the report of its auditors thereon, along with Management's Discussion and Analysis ("**MD&A**"); (iii) interim financial statements released subsequent to the date hereof; and (iv) this Circular. Financial information is provided in the Corporation's comparative consolidated financial statements and MD&A.

By Order of the Board

/s/ W.E. Gettings

W.E. Gettings
CEO
Street Capital Group Inc.

May 1st, 2017

SCHEDULE "A"

STREET CAPITAL GROUP INC.

BOARD OF DIRECTORS MANDATE — FULL BOARD

Effective February 1, 2017

STREET CAPITAL GROUP INC.

Board of Directors Mandate

Purpose

To establish the roles and accountability of the Board of Directors (the "Board") of Street Capital Group Inc. ("Street Capital Group") and of Street Capital Bank of Canada ("Street Capital Bank"), and its affiliated entities (collectively referred to as, the "Company").

The Board has statutory responsibility to manage or supervise the management of the business and affairs of Street Capital Group, subject to the provisions of the *Business Corporations Act* (Ontario) (the "OBCA"). The Board has statutory responsibility to manage or supervise the management of the business and affairs of Street Capital Bank, subject to the provisions of the *Bank Act* (the "Act"). The Board shall carry out the specific duties assigned to the Board by the OBCA in respect of Street Capital Group and the Act in respect of Street Capital Bank.

The Board has overall responsibility for providing direction, guidance and oversight across the Company. The Board may delegate some of its responsibilities to Board committees or Senior Management, as defined by the Board. Senior Management has overall responsibility for the oversight and management of the Company on a day-to-day basis, within the authority delegated by the Chief Executive Officer ("CEO") of the Company and in compliance with applicable laws and regulations.

Membership and Organization

Membership

The composition and organization of the Board, including the number, qualifications and remuneration of Directors, the number of meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings as are established by applicable legislation and the by-laws of the Company.

The Board will have relevant industry and risk management expertise, skills, experience and perspective to enable it to fully understand the business of the Company and the risks undertaken by the Company. Prospective members of the Board shall be assessed in accordance with the Company's Corporate Governance Policy (Assessment of Responsible Persons).

The Board will establish independence standards for Directors and at least annually, shall determine the independence of each Director in accordance with these standards. A majority of the members of the Board shall be independent in accordance with these standards.

Term of Service

The Board has not established term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Bank and its operations and, therefore, provide an increasing contribution to the Board as a whole.

As an alternative to term limits, the Governance, Conduct Review and Compensation Committee will review each Director's continuation on the Board and committee membership every year. This will allow each Director the opportunity to confirm his or her desire to continue as a member of the Board and of any committees. This review allows the Committee to assess the continuing contributions of each Director and, if appropriate, to recommend that a particular Director step down from the Board.

Representation of Women on the Board and in Senior Management

The Board strongly supports the principle of boardroom diversity, of which gender is one important aspect. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments based on merit and against objective criteria, including diversity.

Given this aim, the Company does not have policies or targets relating to the representation of women on the Board or in senior management for similar reasons for not having a policy relating to term limits. While the Board recognizes the benefits of diversity, including gender diversity, on the Board and in senior management positions, it also is of the view that quotas or strict rules could limit the Board's ability to ensure that the overall composition of the Board and the management team meets the Company's needs. The Board therefore identifies and selects candidates based on a careful consideration and weighing of the criteria described above and any other relevant factors (including without limitation an individual's expertise, qualifications, experience, background, personal characteristics and the needs of the Company at the time). Accordingly, in searches for new directors or officers, the Board considers the level of female representation and diversity on the Board and in senior management as one of a multitude of factors.

Meetings, Attendance and Preparation

The Board will meet no less than four times during each financial year. A quorum of the Board shall consist of a majority of the Directors, and a majority of Directors participating in any meeting shall be resident Canadians. Each meeting of the Board shall be followed by an in-camera meeting of independent Directors. Members of the Board are expected to attend meetings of the committee and to review related meeting materials in advance.

Directors may participate in meetings in person or by telephone or other electronic means. A Director participating by such means is deemed to be present at that meeting.

Notice of regularly scheduled meetings will be provided to the Board at least two days before the date of the meeting. The Board may invite such persons as deemed appropriate to attend its meetings and to take part in the discussions and considerations of the affairs of the Board.

Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary or his/her designate and subsequently presented to the Board for approval.

Responsibilities and Duties

Business Strategy

The Board has the responsibility to participate in reviewing and approving the objectives and goals for the Company's business and the strategies to be used to achieve these objectives and goals. The Board is expected to review and approve:

1. annually, the Company's short-term and long-term enterprise-wide business objectives, overall long term strategy to deliver financial services to its customers, including the scope of the products and services offered and the distribution channels to be used, and plans (capital, financial, liquidity)
2. material strategic initiatives including, without limitation, significant new lines of business or product launches, significant portfolio transactions (acquisitions and dispositions), mergers and acquisitions
3. the Company's policies with respect to measuring the Company's performance against business objectives, strategies and plans
4. the annual budget as prepared by Senior Management

Risk Management

The Board has the responsibility to approve:

1. the Company's internal control framework, used to manage the Company's significant risks

2. Street Capital Bank's risk appetite framework (which is discussed in the Bank's Enterprise Risk Management Policy) and risk tolerance of the Bank
3. the Company's external audit plan, including audit fees and the scope of the audit engagement
4. the Annual Funding Plan and Contingency Funding Plan as recommended by the Enterprise Risk Management Committee ("ERMC")
5. liquidity limits and targets

The Board has the responsibility to:

1. be aware of all material changes to the Company's business strategies or risk appetite and the limits within which individuals are authorized to act., and the Board has a duty to maintain a general understanding of the types of risks to which the Company is exposed and the techniques used to measure and manage those risks
2. assure itself that the risk management activities of the Company have sufficient independence, status, visibility and Board access, and are subject to periodic but no less than annual reviews
3. review systemic fraud issues and related remediation activities
4. understand and determining the nature and level of risk being taken by Street Capital Bank and how these risks relate to the level of individual and collective allowances
5. regularly review of appropriate information about the credit quality of the Company's portfolios on a timely basis and take action as warranted
6. review and approve the balance of the allowance for impairment, and where applicable approve any material divergences between established policies as documented and actual practice
7. provide Senior Management with the authority to further delegate its authority as appropriate

Corporate Governance

The Board has the responsibility to oversee the Company's approach to corporate governance, including corporate governance principles and policies, establishing Board committees, setting expectations of Directors and undertaking regular evaluation of the Board, its committees, and its members, and delegation of policies to Senior Management.

Internal Control and Financial Reporting

The Board has the responsibility to approve the Company's overall internal control framework and monitor its effectiveness. To monitor the Company's progress towards its goals and management of its business risks and to revise and alter strategies in light of changing circumstances, the Board shall receive timely and accurate reports, which capture the following information:

1. financial information analyzing actual operating results to forecasted results and current financial condition for the Company and by product line (when relevant)
2. commentary from Senior Management about the financial and legal information
3. respond to issues or deficiencies identified by Senior Management
4. audit report on the annual audited financial statements for their approval and all other external auditor reports, including their opinion on the adequacy of internal controls
5. reports on risk management corporate policies and practices, including compliance with approved corporate policies, to verify that the Company's risk management framework is appropriate and operating effectively
6. reports on other significant risks as deemed necessary

7. significant exceptions to corporate policies and internal controls, including the consequences of these exceptions within the Company, and the progress made to correct any deficiencies
8. annual report, providing negative assurance, on the status of the Company's compliance with its governing statute and regulations and, in respect of Street Capital Bank, the Office of the Superintendent of Financial Institutions ("OSFI") Guidelines, including the views and observations of OSFI
9. reports and recommendations of Board committees and obtain assurances that the Company is operating within an effective control framework

Organizational Structure

The Board has the responsibility to review and approve the Company's organizational objectives, structure and controls at least annually.

Internal Oversight Functions

The Board has the responsibility to:

1. approve the appointment of all executives who lead internal oversight functions
2. approve the mandates of the internal oversight functions, approve any major changes thereto, and regularly review the scope of the proposed activities of these internal functions
3. regularly review and determine that the heads of internal oversight functions are independent from the operations under review and free of influences that may affect their ability to perform their responsibilities objectively
4. ensure that the heads of internal oversight functions have unrestricted access to the Board and Board committees, including in camera meetings with the Board and Board committees
5. determine that the internal oversight functions have the authority, resources and budget required to perform their duties appropriately
6. determine that the remuneration provided to key individuals in the internal oversight functions adequately reflects the significance of the function and that incentives are not inconsistent with the roles and responsibilities as set out in their mandates
7. determine what Board structures for the Company's subsidiaries (as applicable), would best contribute to effective oversight of subsidiary operations and exercise adequate oversight of such subsidiaries to ensure that the parent Board can meet its responsibilities

External Supervision and Legal Requirements

In carrying out the duties and responsibilities set out in this mandate, the Board shall manage the Company's (including the actions of any Board committee, management committee and Senior Management) the OBCA, CBCA and the *Securities Act* (Ontario) and its regulations and other applicable legislation. While Senior Management should have regular interaction with regulators with respect to the overall operations of the Company, the Board should ensure that regulators are promptly notified of substantive issues affecting the Company. The Board shall also manage Street Capital Bank's compliance with the Act, its regulations and applicable OSFI guidelines.

The Board will foster open communication with regulators to help promote mutual trust and confidence and will review results of supervisory work by applicable regulators. The Board will follow up as necessary on any significant recommendations or finding identified by regulators and will consider regulatory findings and reports in its ongoing oversight of the Company.

Street Capital Bank will notify OSFI of any potential changes to the members of the Board and Senior Management and any circumstances that may adversely affect the suitability of the Board members and Senior Management.

Succession Planning and Evaluation of Management Performance

To determine that the Company has qualified and competent individuals to manage functions within the Company, the Board has the responsibility to:

1. actively supervise the selection, appointment, development, evaluation and compensation of the CEO and, where appropriate, other members of Senior Management, including the heads of the Company's oversight functions
2. oversee the annual performance review of the CEO and Senior Management and approve the annual performance targets for the CEO and Senior Management in accordance with corporate objectives
3. evaluate and approve compensation of the CEO and senior management team in a manner that is consistent with prudent incentives
4. provide the CEO, President and Senior Management with direction and advice
5. review and assess the contingency and long-term succession plans for the CEO and, where appropriate, Senior Management, including the heads of the Company's oversight functions

Capital Management

The Board has the responsibility to:

1. review and periodically assess policies and procedures established by Senior Management with respect to the Company's desired level of capital
2. review and periodically assess reports on the effectiveness of such policies and procedures of capital management strategies
3. consider capital management within the context of the risk management framework
4. approve capital limits and target
5. approve Street Capital Bank's capital plan
6. review, challenge, and approve Street Capital Bank's ICAAP
7. approve significant changes in capital and debt structure of the Company proposed by the CFO

Investments and Pledging

The Board has the responsibility to:

1. review, at least annually, the securities portfolio management program and investment strategy
2. review the securities portfolio and any non-compliance with the Street Capital Bank's internal auditor on a scheduled basis no less than once per annum
3. review and approve the Pledging Policy based on the recommendation of SVP Treasury and the ERMC
4. assure that the organizational structure, systems and procedures implemented by management include an adequate level of control to identify, measure and monitor the Street Capital Bank's collateral exposures
5. ensuring that the Chief Risk Officer and Asset Liability Committee have sufficient independence, status and visibility to enable them to effectively oversee the management of pledged assets
6. review reports and recommendations from management on the nature and extent of the Bank's pledging exposure as well as the procedures and controls in place to manage these risks in accordance with the Pledging policy
7. regularly review portfolio quality reports and takes action as warranted

External Auditor

The Board has responsibility, following recommendation from the Audit Committee, to:

1. recommend a suitable nominee for appointment as external auditor
2. approve the external audit plan, including audit fees and the scope of the audit engagement
3. provide the external auditor with unrestricted access to the Board

Reporting and Disclosure

The Board has the responsibility to oversee the integrity of the financial performance of the Company and report to its shareholders on a timely basis in accordance with generally accepted accounting principles, including the accounting requirements of OSFI based upon recommendations received from the Audit Committee. The Board has the responsibility to assess the effectiveness of the Company's communications, including measures for receiving feedback from stakeholders.

The Board, or its designates, will approve all material disclosure items (e.g. annual and quarterly financial statements, management discussion and analysis, material press releases, annual information form, management proxy circular and any other public document that requires Board approval) prior to dissemination.

Promoting a Culture of Integrity

The Board believes that Senior Management must create a culture of strong corporate governance, ethical business conduct and integrity throughout the organization. The Company's Code of Conduct and Ethical Behaviour (the "Code") addresses many areas of business conduct and provides a procedure for employees to raise concerns or questions regarding breaches of the Code and questionable audit or accounting matters.

Orientation and Continuing Education

New Directors are provided with an orientation binder containing materials relevant to the Director's responsibilities including details of the Company's organizational structure, the structure of the Board and its Committees, position descriptions and corporate policies. Senior Management presentations will familiarize new Directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct and Ethical Behaviour, its principal officers, and its internal and independent auditors.

On an ongoing basis, Directors receive presentations on various aspects of the Company's businesses and operations. Directors identify their continuing education needs through a variety of means including discussions with Senior Management and at Board and Committee meetings. To encourage Directors to upgrade their expertise, the Company reimburses Directors for their reasonable pre-approved expenses for attending education sessions.

Directors are required to advise the Chairman of the Board before accepting any invitation to serve on another Board and to provide sufficient opportunity and information to determine if the Director who proposes to accept a new directorship remains independent under the Company's policies. Service on boards and/or committees of other organizations shall comply with the Company's conflict of interest policies.

Board Functioning

The Board as required shall:

1. recommend issues to discuss at Board and committee meetings
2. review the mandates of the Board, the Chair of the Board, Board committees and Senior Management positions and provide recommendations for change as deemed necessary
3. monitor the Board's relationship with Senior Management, including reporting standards and information provided to Directors and request improvements as deemed necessary

4. review periodically, but at least annually, the by-laws of the Company to determine if any amendments are required
5. periodically review compensation for the Directors

Reports

The Audit Committee, Enterprise Risk Management Committee of Street Capital Bank, and Governance, Conduct Review and Compensation Committee will report the proceedings of their respective meetings and all recommendations made by the committee at the next meeting of the Board. In urgent matters, where time is of the essence, the committee report will be communicated to the Board immediately.

Access to Management and Outside Advisors

The Board shall have unrestricted access to management of the Company and to any and all books and records of the Company necessary for the execution of the Board's obligations. The Board has the authority to retain and terminate external counsel, consultants or other advisors that it determines to be necessary to permit it to carry out its duties and to set the compensation of these advisors. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Annual Review and Assessment

The Board shall conduct an annual self-review and assessment of its performance in regards to the adequacy of policies and practices, occasionally with the assistance of independent external advisors, to regularly assess the effectiveness of the Board, its committees, and individual Directors (including the Chair) in carrying out their responsibilities.

Mandate Review

This mandate will be reviewed and approved by the Board at least annually.

SCHEDULE "B"

OPTION PLAN RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE VOTING SHAREHOLDERS THAT:

1. All unallocated stock options under the 1997 Stock Option Plan of Street Capital Group Inc. (the "**Corporation**"), as amended from time to time, are hereby approved and authorized, which approval shall be effective until June 7, 2020, being the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and

2. Any one director or officer of the Corporation or any other person designated by any one of them be, and each of them is, hereby authorized to take such action and to execute and deliver such documents, whether on behalf of or in the name of the Corporation or otherwise, as such person may, in his or her discretion, consider to be necessary or desirable to carry out the intent and purpose of this resolution and the matters and transactions contemplated herein.

Appendix A

STREET CAPITAL GROUP INC.

MAJORITY VOTING IN DIRECTOR ELECTIONS

The board of directors (the "**Board**") of Street Capital Group Inc. (the "**Corporation**") is committed to fulfilling its mandate to supervise the management of the business and affairs of the Corporation with the highest standards and in the best interests of the shareholders of the Corporation. The Board has, in light of best practice standards in Canada, unanimously adopted this statement of policy providing for majority voting in director elections at any meeting of shareholders where an "uncontested election" of directors is held. For the purposes of this policy, an "uncontested election" of directors of the Corporation means an election where the number of nominees for director is equal to the number of directors to be elected. This policy does not apply where an election involves a proxy battle (i.e. where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board).

Pursuant to this policy, the forms of proxy circulated in connection with a meeting of the Corporation's shareholders at which an uncontested election of directors is to be conducted shall provide the Corporation's shareholders with the ability to vote in favour of, or to withhold from voting for, each director nominee. If the number of proxy votes withheld for a particular director nominee is greater than the votes in favour of such nominee, the director nominee shall be required to immediately submit his or her resignation to the Board following the applicable meeting of the Corporation's shareholders.

Following receipt of a resignation submitted pursuant to this policy, the Governance, Conduct Review and Compensation Committee of the Corporation (the "**GCRC Committee**") shall consider whether or not to accept the offer of resignation and shall recommend to the Board whether or not to accept it. Absent exceptional circumstances that would warrant the continued service of the applicable director on the Board, the GCRC Committee shall be expected to accept and recommend acceptance of the resignation by the Board. In considering whether or not to accept the resignation, the GCRC Committee will consider all factors deemed relevant by members of the GCRC Committee including, without limitation, the stated reasons why shareholders withheld votes from the election of that nominee; the Corporation would not be compliant with corporate or securities law requirements, applicable regulations or commercial agreements regarding the composition of the Board as a result of accepting a director's resignation; or the director is a key member of an established, active special committee which has a defined term or mandate (such as a strategic review) and accepting the resignation of such director would jeopardize the achievement of the special committee's mandate.

Within 90 days following the applicable meeting of the Corporation's shareholders, the Board shall make its decision, on the GCRC Committee's recommendation. In considering the GCRC Committee's recommendation, the Board will consider the factors considered by the GCRC Committee and such additional information and factors that the Board considers to be relevant. Following the Board's decision on the resignation, the Board shall promptly disclose, via press release, its decision whether to accept the director's resignation offer including the reasons for rejecting the resignation offer, if applicable. If a resignation is accepted, the Board may in accordance with the provisions of the Corporation's articles and by-laws, as they may be amended, restated and/or supplemented from time to time, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board.

A director who tenders his or her resignation pursuant to this majority voting policy shall not be permitted to participate in any meeting of the Board and/or the GCRC Committee, if he or she is a member of the Board and/or the GCRC Committee, as applicable, at which his or her resignation is to considered. However, if each member of the GCRC Committee received a greater number of proxy votes withheld than the votes for each member in the same election, or a sufficient number of the GCRC Committee members, such that the GCRC Committee no longer has a quorum, then the remaining members of the GCRC Committee, if any, shall not consider the resignation offer(s) and the Board shall consider whether or not to accept the offer of resignation without a recommendation from the GCRC Committee.

In the event that a sufficient number of the Board members received a greater number of proxy votes withheld than the votes for such members in the same election, such that the Board no longer has a quorum, then such directors receiving a majority withheld vote shall be permitted to attend a Board meeting in order to satisfy quorum requirements, but such directors must not speak or otherwise participate in any part of the meeting where his or her resignation is discussed or considered or a related resolution is voted upon.

In the event that any director who received a greater number of proxy votes withheld than votes in favour of such director's election does not tender his or her resignation in accordance with this majority voting policy, he or she will not be re-nominated by the Board for election as a director.

The GCRC Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to this policy and shall have the sole and complete authority to interpret and apply the policy.

As amended and restated on May 1, 2017.